

CARGILL FERROUS INTERNATIONAL

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November 12, 2001

The Honorable Robert Zoellick
United States Trade Representative
600 17th Street, N.W.
Washington, DC 20508

Dear Mr. Ambassador:

In response to the October 26, 2001 Federal Register notice requesting comments on what actions the President should take under section 203 of the Trade Act of 1974 with respect to the pending section 201 investigation on steel products, Cargill Ferrous International, a Division of Cargill, Incorporated ("CFI") submits this letter to request the exclusion of certain steel products from that case. The products for which CFI hereby requests exclusion are manufactured by SSAB Svenskt Stal AB of Sweden ("SSAB"). SSAB has been a supplier of high quality steel to customers in the U.S. for at least 20 years, and CFI has been their distributor in the U.S. during this time period. We believe that if the following specific products are not excluded, our customers, who are end users of these products in primarily the automotive and transportation industries, will be adversely effected.

Reason for requesting exclusion: SSAB has dedicated their efforts to the development of high strength and ultra high strength steels for use in the automotive and transportation industry for the purpose of reducing weight in vehicles, resulting in better fuel efficiency. The grades of steel described below are produced by only one U.S. producer, and in each case there are differences in the physical properties or limitations in the size ranges offered domestically that make SSAB a preferred supplier to the domestic end users. If these end users are restricted access to these SSAB grades, we believe they will be financially harmed.

We are asking for exclusions on the following product categories:

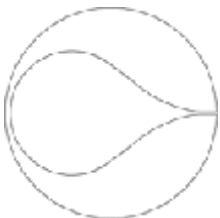
1. Domex Hot Rolled Extra High Strength Steels

Domex steels provide manufacturers with excellent forming and welding characteristics. This reduces the manufacturers' overall fabrication costs and allows for lighter, more fuel efficient vehicles with increased hauling and lifting capacities.

The characteristic that makes SSAB's Domex 100, 110, Domex Wear and Domex Weather Resistant grades unique is their impact value. All four of these grades have an impact toughness rating of 20 ft lbs. at -40 degrees F. No similar domestically produced product can meet this requirement. Impact toughness is critical in the construction of cranes, truck frames or any load bearing equipment that operates in cold weather climates. When exposed to extreme cold weather conditions, the steel in these machines is more susceptible to cracking and SSAB's products allow manufactures to produce products that allow users to operate them safely in colder weather climates.

There is no ASTM standard for these extra high strength material grades due to its niche activity and unique mechanical properties. There are no U.S. steel producers that can meet both the following mechanical properties and dimension ranges.

The HTS numbers under which these products enter the U.S. are: 7225.30.3050, 7225.30.7000, 7208.36.0030, 7208.37.0030, 7208.38.0015 and 7208.39.0015.



Mechanical Properties and Dimensions

	Domex 100	Domex 110	Domex Wear (Typical)	Domex Weather Resistant
Yield Strength (minimum ksi)	100,000	110,000	(115,000)	80,000 & 100,000
Tensile Strength (minimum ksi)	110,000	118,000	(135,000)	85,000 & 105,000
Elongation %	15	15	15	18
Bendability	1.6 –1.8xt	1.6-1.8xt	2xt	1xt
Thickness Range	.079”-.437”	.079”-.437”	.118”-.250”	.093”-.250”
Width Range	35”-63”	35”-63”	35”-63”	35”-50”
Impact Toughness	20ft.lbs at –40F°	20ft.lbs at –40F°	20ft.lbs at –40F°	20ft.lbs at –40F°

Chemical Composition

	C Max.	Si Max.	Mn Max.	P Max.	S Max.	Al Min.	Cb Max.	Ti Max.
Domex 100	.12	0.60	2.0	0.025	0.010	0.015	0.09	0.20
Domex 110	.12	0.60	2.1	0.025	0.010	0.015	0.09	0.20

TV= Typical Values	C TV	Si TV	Mn TV	P TV	S Max.	Cr TV	Mo TV	Al TV	Ti TV
Domex Wear	0.17	0.3	1.8	0.01	0.01	0.3	0.1	0.04	0.16

	C Max.	Si Max.	Mn Max.	P Max.	Cu Max.	Cr. Max	Micro Alloying Elements
Domex Weather Resistant	0.10	0.45	0.80	0.12	0.35	0.95	Added

Market:

The following numbers are a best guess estimate using a combination of SSAB’s sales and an estimate of sales made by other competitors both foreign and domestic.

Total U.S. Consumption

1996	15,000 MT
1997	20,000 MT
1998	22,000 MT
1999	27,000 MT
2000	35,000 MT

The following numbers are projections based on an increasing demand for lighter and stronger products with better fuel efficiencies. Much of the increase is based on class eight trucks converting from heat-treated material to non heat-treated steels. These forecasts are based on this industry moving forward.

Forecast

2002	25,000 MT
2003	40,000 MT
2004	45,000 MT
2005	50,000 MT

Producers:

To the best of our knowledge, these are the companies that produce steel that competes with these Domex grades:

Domestic:	LTV, Chicago	Domex 100 and 110 only
Foreign:	Hoesch, Germany	Domex 100 and 110 only
	Thyssen, Germany	Domex 100 and 110 only
	Usinor, France	Domex 100 and 110 only
	Voest Alpine, Austria	Domex 100 and 110 only

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Hoogovens, Holland

Domex 100 and 110 only

2. Docol Cold Rolled Extra High Strength Steels: Dual Phase and Martensitic

These grades are produced for applications where a combination of high strength, good formability and good weldability are desired, resulting in lighter, more fuel-efficient vehicles.

It should be noted that SAE grades above 2300 were excluded from the current cold-rolled antidumping case filed on September 28th, 2001. The grades listed below for which we are filing this exclusion request all fall within SAE 2340 and thus are outside of the scope of the antidumping investigation.

The HTS numbers under which these products enter the U.S. are: HTS #'s: 7209.15.0000, 7209.16.0030, 7209.17.0030, 7209.50.6000 and 7209.50.8085

a. Docol Dual Phase Steels

U.S. market consumption: From 1996 to 2000, consumption is estimated at 50,000/nt per year. By 2003 the tonnage is estimated to grow to 100,000/nt based on new application designs currently in progress.

Grades produced by SSAB:

Docol 400 DP, Docol 500 DP, Docol 600 DP, Docol 600 DL, Docol 800 DP, Docol 800 DL, Docol 1000 DP and Docol 1000 DL, which are equivalent to SAE 2340, Grades 400 thru 1000.

It is important to note that only one of the above grades is available from a U.S. producer, namely Inland Steel who produces only an equivalent to Docol 800. It is also important to note that only SSAB guarantees minimum yield strength on all the grades listed above. This is important for the automotive designers when they look at any safety applications such as seat belts, crash intrusion beams and bumper brackets.

Primary customer base: Automotive manufacturers and automotive subcontractors.

b. Docol Martensitic Grades

U.S. market consumption: Total yearly consumption between 1996 and 2000 is estimated at 400,000/nt and growing.

U.S. production: Between 1996 and 2000, approximately 400,000/nt, but without guaranteed minimum yield strength.

Grades produced by SSAB:

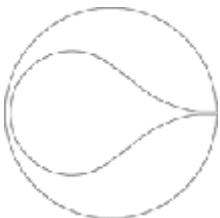
Docol 130, Docol 160, Docol 190 and Docol 220; which are equivalent to SAE 2340 grades 800M thru 1500M .

SSAB chemistries are leaner than Inland's, resulting in improved weldability. In addition, SSAB is the only supplier that guarantees minimum yield strength.

Primary customer base: Automotive manufacturers and automotive subcontractors.

Producers:

Domestic: Inland



Mechanical Properties and Dimensions

DOCOL	Yield Strength min.	Tensile Strength min.	Elongation %	Bendability	Thickness Range	Width Range
85 DP	50	85	17	0xt for 180°	.197"-.078"	31"-60"
85 DL	40	85	21	0xt for 180°	.197"-.078"	31"-60"
100 DP	80	100	12	1xt for 90°	.197"-.078"	35"-60"
115 DP	72	115	9	1xt for 90°	.197"-.078"	31"-60"
115DL	56	115	14	1xt for 90°	.197"-.078"	31"-60"
130 M	80	130	8	4xt for 180°	.197"-.078"	35"-60"
140 DP	80	140	8	3xt for 90°	.197"-.078"	35"-60"
145 DP	100	145	6	3xt for 90°	.197"-.078"	31"-60"
145DL	72	145	9	3xt for 90°	.197"-.078"	31"-55"
160 M	130	160	4	4xt for 90°	.197"-.078"	35"-49"
175 DP	137	175	4	4xt for 90°	.197"-.078"	35"-49"
190 M	150	190	4	4xt for 90°	.197"-.078"	35"-49"
205 DP	167	205	3	4xt for 90°	.197"-.078"	35"-49"
220 M	180	220	3	4xt for 90°	.197"-.078"	35"-49"
100 W	100	130	5	2xt for 90°	.197"-.078"	31"-60"
*450 Wear	165	205	3	4xt for 90°	.197"-.078"	35"-49"

*This steel has a 450 Brinell hardness, Hb

Chemical Composition TV=Typical Values

DOCOL	C TV	Si TV	Mn TV	P Max.	S Max.	Nb TV	Al TV	Cu TV	Cr TV	Micro Alloying Elements
85 DP	.11	.20	.70	.05	.01		.04			
85 DL	.10	.40	1.5	.010	.01		.04			
100 DP	.13	.20	1.5	.020	.004	.015	.04			
115 DP	.13	.20	1.5	.002	.002	.015	.04			
115DL	.14	.20	1.7	.015	.002	.015	.04			
130 M	.07	.20	1.8	.02	.004		.04			
140 DP	.15	.50	1.5	.02	.004	.015	.04			
145 DP	.15	.20	1.5	.015	.002	.015	.04			
145DL	.18	.20	1.6	.015	.002	.015	.04			
160 M	.09	.20	1.70	.020	.004	.015	.04			
175 DP	.11	.20	1.60	.015	.002		.04			
190 M	.13	.20	1.7	.020	.004	.015	.04			
205 DP	.17	.50	1.6	.015	.002	.015	.04			
220 M	.20	.20	1.5	.025	.004	.015	.04			
100 W	.13	.50	1.2	.02				.40	.50	Added
450 Wear	.17	.50	1.60	.01	.01	.015	.04			

Based on the foregoing, we respectfully request that these products be excluded from the section 201 proceeding. Please let me know if you have any questions regarding this matter.

Sincerely,



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